

Message Text

UNCLASSIFIED

PAGE 01 BOGOTA 03087 051357Z

60

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 TRSE-00 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 PER-03 FSE-00 ABF-01 /055 W

----- 007861

R 042207Z APR 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 7903

UNCLAS BOGOTA 3087

E.O. 11652: NA

TAGS: ECON CO

SUBJECT: COLOMBIAN COST OF LIVING INCREASES MODERATE SLIGHTLY

1. THE ANXIOUSLY-AWAITED MARCH COST-OF-LIVING INDEX FOR COLOMBIA SHOWS A SLIGHT IMPROVEMENT OVER THAT OF THE PAST TWO YEARS AND SUGGESTS THAT GOC POLICIES AND ECONOMIC CONDITIONS ARE HAVING SOME MODERATING EFFECT. THE INCREASE FOR MARCH WAS 2.75 PERCENT (2.7 PERCENT FOR WHITE COLAR AND 2.8 PERCENT FOR BLUE COLLAR) VERSUS A 3.35 PERCENT INCREASE IN 1974. MARCH USUALLY REGISTERS THE HIGHEST MONTHLY INCREASE OF THE YEAR AS A RESULT OF SEASONAL FACTORS INCLUDING THE DELAYED EFFECT OF FOURTH QUARTER MONETARY EXPANSION.

2. OFFICIAL OF THE LOPEZ ADMINISTRATION IMMEDIATELY HAILED THE REDUCED RATE OF GROWTH AS EVIDENCE THAT ITS ANTI-INFLATION POLICIES ARE PROVING SUCCESSFUL. WHILE SUCH A POSITION IS NOT UNREASONABLE, THE PROGRESS MADE THUS FAR IN COMBATTING INFLATION REMAINS FIARLY LIMITED. FOOD PRICES CONTINUE TO BE THE MAJOR SOURCE OF INCREASE FOR THE INDEX. SLUGGISH DEMAND APPEARS TO HAVE BEEN AN IMPORTANT FACTOR IN LIMITING PRICE INCREASES FOR A NUMBER OF ITEMS SUCH AS TEXTILES AND RENTAL HOUSING.

3. ON THE BASIS OF FIRST QUARTER STATISTICS IT APPEARS THAT THE YEARLY COST OF LIVING INCREASE WILL BE ABOUT UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BOGOTA 03087 051357Z

20 PERCENT AS OPPOSED TO THE 26 PERCENT INCREASE IN 1974 AND

24 PERCENT IN 1973. ALTHOUGH SOME GOC OFFICIALS HAVE
EXPRESSED THE HOPE THAT THE INDEX COULD BE HELD TO A
15-16 PERCENT RISE, AND 18-20 RATE IS GENERALLY CONCEDE
TO BE A REASONABLE GOAL. HOUSEWIVES AND LOWER INCOME
GROUPS IN PARTICULAR, HOWEVER, ARE UNLIKELY TO BE PLACATED
BY SUCH A REDUCTION AND A CONTINUING HIGH LEVEL OF
CONCERN OVER COST OF LIVING INCREASES IS ALMOST CERTAIN.
VAKY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COST OF LIVING
Control Number: n/a
Copy: SINGLE
Draft Date: 04 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BOGOTA03087
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750119-0128
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750482/aaaacwxn.tel
Line Count: 69
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2003 by maginmm>; APPROVED <14 JAN 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COLOMBIAN COST OF LIVING INCREASES MODERATE SLIGHTLY
TAGS: ECON, CO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006